

SANTA BARBARA COUNTY ECONOMIC FORECAST

Santa Barbara County, located immediately northwest of Ventura County, is dominated by three principal economic activities: tourism, Vandenberg Air Force Base, and education. It has a population of 430,000 people and a total of 192,000 wage and salary jobs. The income per capita is \$51,342 and the average salary per worker is \$58,949.

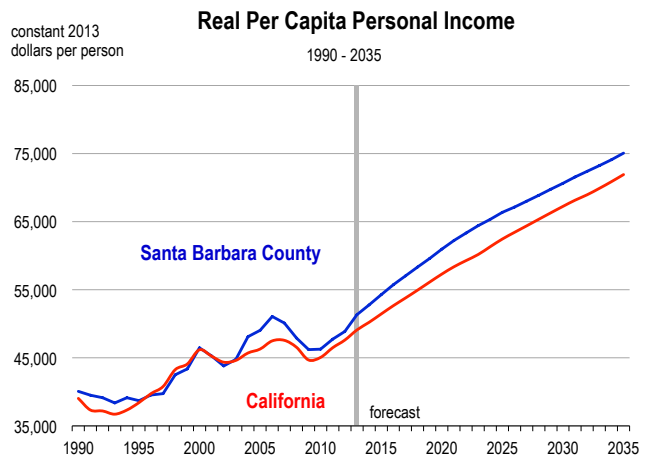
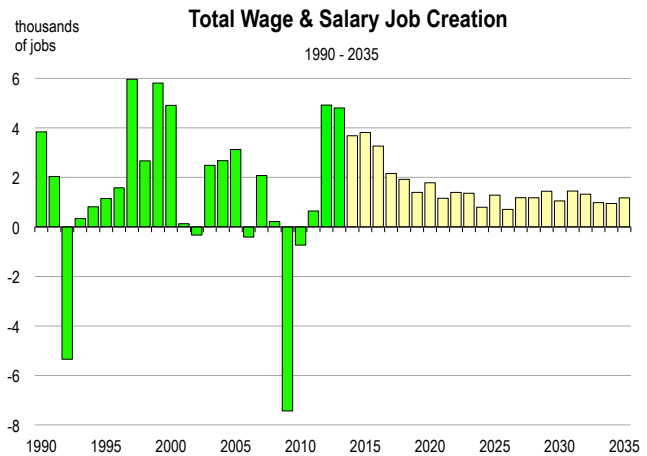
Across Southern California, employment increased by 2.7 percent in 2013. In Santa Barbara County, 4,800 wage and salary jobs were created, representing a growth rate of 2.6 percent. In addition, the unemployment rate improved substantially, falling from 8.0 percent in 2012 to 6.8 percent in 2013.

In 2013, all major sectors were characterized by positive job growth. The largest gains were observed in leisure and hospitality (+1,100 jobs), wholesale and retail trade (+840 jobs), professional and business services (+810 jobs), and agriculture (+570 jobs).

Between 2008 and 2013, the population of Santa Barbara County grew at an average rate of 0.5 percent per year. This growth was due entirely to the natural increase (new births), as overall net migration was negative. During the forecast period, the majority of population growth will occur in the northern portion of the county. Because of restrictions on new housing development, population growth in the southern portion of the county will be minimal.

FORECAST HIGHLIGHTS

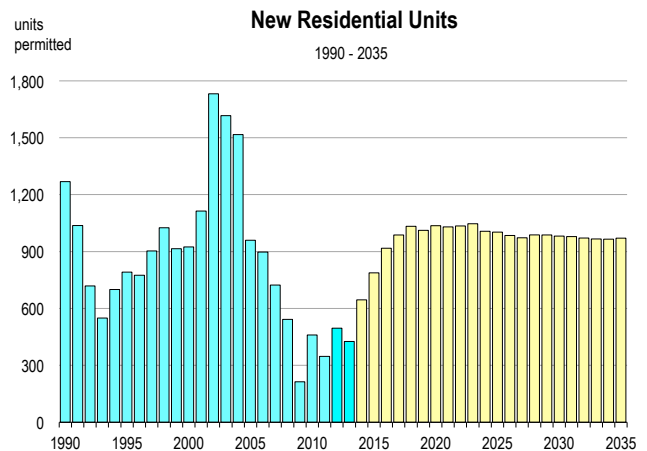
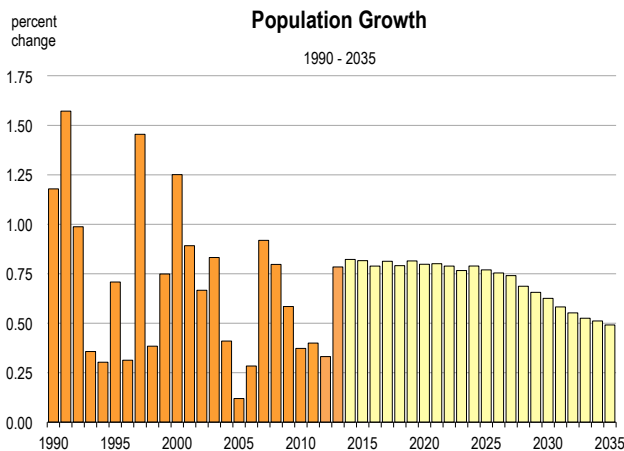
- In 2014, total employment is expected to increase by 1.9 percent. Over the 2014-2019 period, growth is expected to average 1.3 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast horizon. In Santa Barbara County, inflation-adjusted salaries are forecasted to rise at a rate of 1.5 percent per year from 2014 to 2019.
- Over the 2014-2019 period, the largest employment gains will be observed in professional services, government, leisure services, wholesale and retail trade, and construction. Combined, these industries will account for 72 percent of net job creation in the county.
- Population growth will accelerate, but remain relatively moderate. Growth in the 2014-2019 period will average 0.8 percent per year.
- Net migration will be positive over the 2014-2019 period, with an average of 490 net migrants entering the county each year. Northern Santa Barbara County will be characterized by positive net migration, while Southern Santa Barbara County will lose residents through out-migration.
- Real income per capita is expected to rise at an average annual rate of 2.5 percent from 2014 to 2019.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 3.6 percent per year during the 2014-2019 period.
- From 2014 to 2019, industrial production will rise by an average of 3.3 percent per year.
- Farm production is forecasted to increase by 0.4 percent per year between 2014 and 2019. The principal crop in the county is the strawberry.



Santa Barbara County Economic Forecast

2006-2013 History, 2014-2040 Forecast

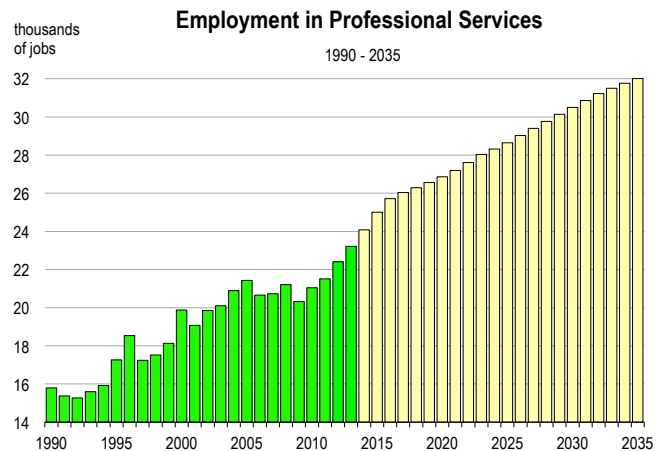
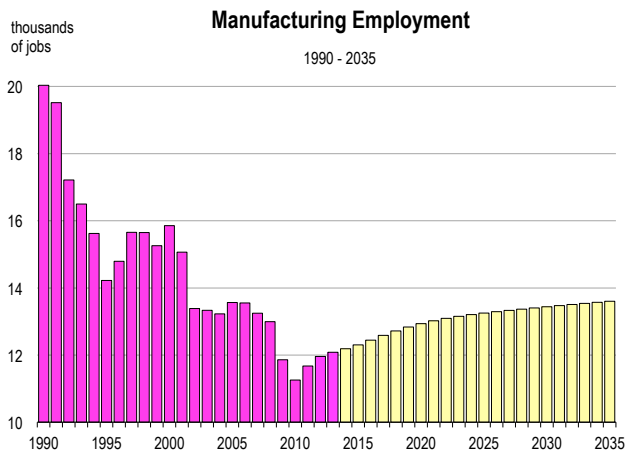
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	412,853	-2,145	373.2	141	897	\$6.14	\$18.55	\$51,074	4.3	1,156	3.19	4.0
2007	416,648	251	370.6	142	723	\$6.07	\$18.97	\$50,107	3.3	1,215	3.28	4.4
2008	419,970	-107	369.4	141	543	\$5.89	\$18.92	\$47,890	3.5	1,210	3.40	5.5
2009	422,423	-877	367.9	142	213	\$5.11	\$18.21	\$46,201	-0.8	1,331	2.98	8.4
2010	423,999	-1,515	368.1	142	460	\$5.31	\$18.52	\$46,258	1.2	1,293	2.88	9.5
2011	425,694	-1,170	366.1	143	347	\$5.72	\$19.70	\$47,734	2.7	1,233	3.08	9.1
2012	427,105	-1,402	366.7	143	496	\$6.05	\$20.65	\$48,878	2.0	1,306	3.31	8.0
2013	430,455	588	372.7	144	426	\$6.30	\$22.10	\$51,342	1.1	1,331	3.37	6.8
2014	433,995	629	378.9	144	645	\$6.84	\$23.28	\$52,777	1.6	1,349	3.48	6.1
2015	437,537	596	385.3	145	788	\$7.35	\$24.63	\$54,258	2.1	1,355	3.59	5.4
2016	440,988	447	390.9	145	918	\$7.84	\$26.02	\$55,742	2.0	1,361	3.69	4.9
2017	444,574	494	394.7	146	987	\$8.18	\$27.16	\$57,032	1.2	1,367	3.82	4.6
2018	448,090	399	398.2	147	1,033	\$8.51	\$28.32	\$58,336	1.1	1,379	3.95	4.5
2019	451,741	531	400.9	148	1,012	\$8.81	\$29.52	\$59,614	1.2	1,373	4.09	4.4
2020	455,345	588	404.2	149	1,036	\$9.15	\$30.79	\$60,983	1.2	1,392	4.22	4.4
2021	458,992	718	406.4	150	1,030	\$9.47	\$32.09	\$62,239	1.3	1,385	4.36	4.4
2022	462,612	784	409.1	151	1,035	\$9.80	\$33.38	\$63,343	1.4	1,392	4.49	4.4
2023	466,157	780	411.7	152	1,047	\$10.11	\$34.64	\$64,395	1.3	1,398	4.64	4.3
2024	469,835	958	413.4	152	1,007	\$10.40	\$35.90	\$65,345	1.3	1,385	4.82	4.3
2025	473,451	949	415.9	153	1,002	\$10.71	\$37.22	\$66,352	1.3	1,404	4.96	4.3
2026	477,021	958	417.5	154	985	\$10.98	\$38.44	\$67,146	1.3	1,392	5.12	4.3
2027	480,553	993	419.8	155	973	\$11.27	\$39.73	\$67,987	1.3	1,398	5.29	4.3
2028	483,854	835	422.0	156	988	\$11.58	\$41.05	\$68,857	1.3	1,404	5.46	4.3
2029	487,029	785	424.7	157	988	\$11.90	\$42.42	\$69,774	1.3	1,416	5.65	4.2
2030	490,076	708	426.7	158	982	\$12.21	\$43.79	\$70,636	1.3	1,410	5.84	4.2
2031	492,930	585	429.3	158	979	\$12.54	\$45.21	\$71,561	1.3	1,422	6.02	4.2
2032	495,653	514	431.7	159	971	\$12.86	\$46.60	\$72,405	1.3	1,428	6.21	4.2
2033	498,257	468	433.5	160	966	\$13.19	\$48.00	\$73,218	1.3	1,422	6.41	4.2
2034	500,805	466	435.3	161	965	\$13.53	\$49.46	\$74,084	1.3	1,416	6.63	4.2
2035	503,266	417	437.5	162	971	\$13.90	\$51.01	\$75,051	1.3	1,428	6.84	4.2
2036	505,666	379	439.3	163	966	\$14.28	\$52.59	\$76,006	1.3	1,434	7.07	4.2
2037	507,932	315	441.2	163	964	\$14.67	\$54.23	\$77,004	1.3	1,440	7.29	4.1
2038	510,087	221	443.0	164	961	\$15.08	\$55.93	\$78,059	1.3	1,453	7.51	4.1
2039	512,129	143	444.4	165	953	\$15.49	\$57.65	\$79,091	1.3	1,446	7.75	4.1
2040	514,092	87	446.2	166	950	\$15.93	\$59.45	\$80,192	1.3	1,459	7.95	4.1

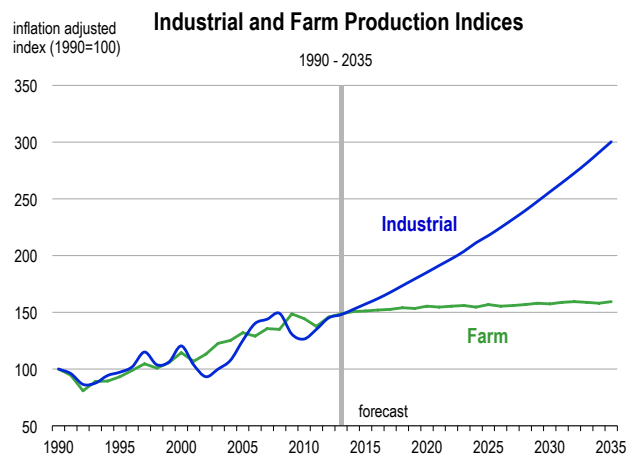
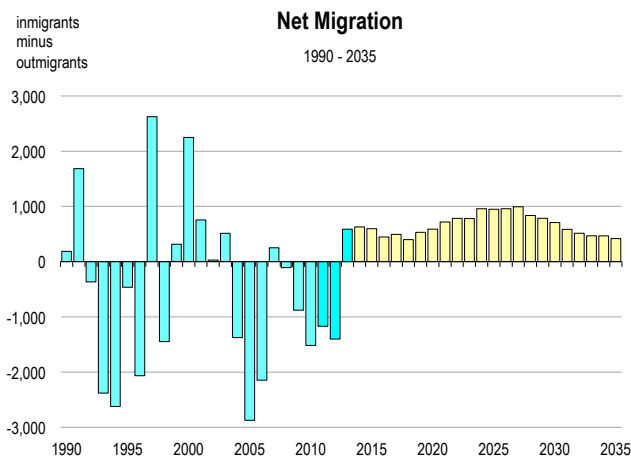
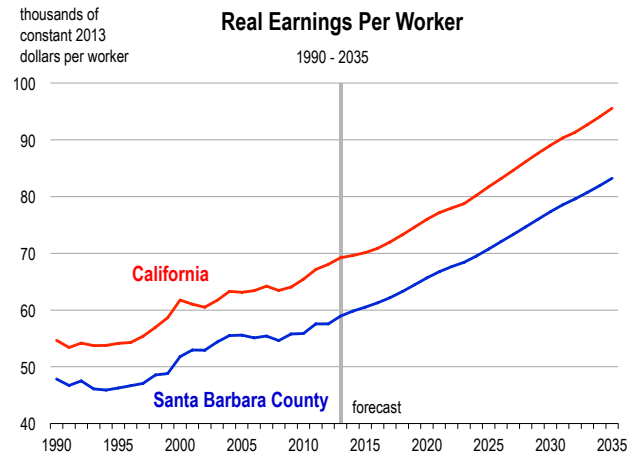
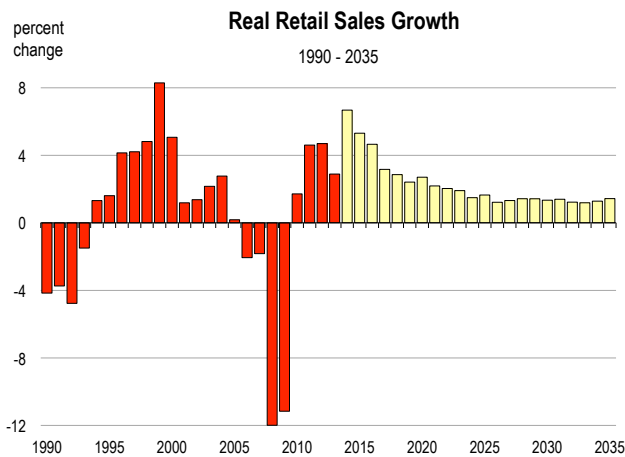


Santa Barbara County Employment Forecast

2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2006	187.3	15.4	10.5	13.6	3.1	25.2	8.7	20.7	4.0	20.5	22.7	36.1
2007	189.3	16.1	10.5	13.3	3.0	25.1	8.2	20.7	3.9	21.5	22.9	37.0
2008	189.6	17.1	9.7	13.0	3.1	24.6	7.8	21.2	3.7	21.9	23.1	37.3
2009	182.1	17.6	7.8	11.9	3.0	22.8	6.7	20.3	3.5	22.2	22.1	37.8
2010	181.4	18.6	7.0	11.3	2.8	21.9	6.4	21.1	3.5	22.4	21.9	38.3
2011	182.0	18.2	6.8	11.7	2.8	21.8	6.5	21.5	3.6	22.8	22.1	37.8
2012	187.0	18.8	6.8	12.0	2.9	22.7	6.5	22.4	4.2	23.5	22.9	37.7
2013	191.8	19.4	7.2	12.1	3.0	23.5	6.6	23.2	4.3	24.0	24.0	37.9
2014	195.4	19.7	8.0	12.2	3.0	23.9	6.9	24.1	4.3	24.3	24.4	38.1
2015	199.3	19.8	8.6	12.3	3.0	24.2	7.2	25.0	4.4	24.6	24.8	38.6
2016	202.5	20.0	9.0	12.4	3.0	24.6	7.4	25.7	4.4	24.8	25.2	39.1
2017	204.7	20.1	9.2	12.6	3.0	24.8	7.4	26.0	4.4	25.1	25.5	39.5
2018	206.6	20.3	9.3	12.7	3.0	25.0	7.5	26.3	4.5	25.3	25.7	40.0
2019	208.0	20.2	9.4	12.8	3.0	25.2	7.5	26.6	4.5	25.5	25.8	40.5
2020	209.8	20.6	9.4	12.9	3.0	25.4	7.4	26.9	4.5	25.7	25.9	41.0
2021	210.9	20.5	9.4	13.0	3.1	25.5	7.4	27.2	4.5	25.9	25.9	41.5
2022	212.3	20.6	9.4	13.1	3.1	25.6	7.4	27.6	4.6	26.1	25.9	41.9
2023	213.7	20.7	9.5	13.2	3.1	25.7	7.3	28.0	4.6	26.4	26.0	42.2
2024	214.5	20.5	9.5	13.2	3.1	25.8	7.3	28.3	4.6	26.6	26.0	42.4
2025	215.8	20.9	9.5	13.3	3.1	26.0	7.3	28.6	4.6	26.8	26.0	42.5
2026	216.5	20.6	9.4	13.3	3.1	26.1	7.2	29.0	4.6	27.1	26.0	42.6
2027	217.7	20.7	9.4	13.3	3.1	26.2	7.2	29.4	4.6	27.5	26.0	42.7
2028	218.9	20.9	9.4	13.4	3.1	26.4	7.2	29.8	4.7	27.8	26.1	42.9
2029	220.3	21.1	9.4	13.4	3.1	26.5	7.1	30.1	4.7	28.2	26.1	43.1
2030	221.3	21.0	9.4	13.4	3.1	26.7	7.1	30.5	4.7	28.5	26.1	43.3
2031	222.8	21.2	9.4	13.5	3.1	26.9	7.1	30.9	4.7	28.8	26.1	43.5
2032	224.1	21.4	9.4	13.5	3.1	27.1	7.1	31.2	4.7	29.1	26.2	43.7
2033	225.1	21.2	9.4	13.5	3.1	27.3	7.1	31.5	4.8	29.4	26.2	44.0
2034	226.1	21.1	9.4	13.6	3.1	27.4	7.1	31.8	4.8	29.6	26.2	44.2
2035	227.2	21.4	9.5	13.6	3.1	27.6	7.1	32.0	4.8	29.8	26.2	44.4
2036	228.2	21.5	9.5	13.6	3.1	27.8	7.1	32.3	4.8	30.1	26.2	44.5
2037	229.3	21.6	9.5	13.7	3.1	27.9	7.1	32.5	4.8	30.3	26.3	44.6
2038	230.3	21.9	9.5	13.7	3.1	28.0	7.1	32.8	4.8	30.5	26.3	44.7
2039	231.0	21.7	9.6	13.7	3.1	28.2	7.1	33.1	4.9	30.8	26.3	44.8
2040	232.0	22.0	9.6	13.8	3.1	28.3	7.0	33.4	4.9	31.0	26.3	44.9





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	19.8%
Expected job growth:	6.4%
Fastest growing jobs sector:	Construction
Expected personal income growth:	17.6%

Expected population growth:	4.1%
Net migration to account for:	13.9%
Expected growth in number of vehicles:	5.8%

Demographics (2014)

Unemployment rate (April 2014):	5.4%
County rank* in California (58 counties):	9th
Working age (16-64) population:	66.4%

Population with B.A. degree or higher:	31.6%
Median home selling price (2013):	\$412,750
Median household income:	\$62,320

Quality of Life

Violent crime rate (2012):	383 per 100,000 persons
County rank* in California (58 counties):	28th
Average commute time to work (2014):	21.7 minutes

High school drop out rate (2012):	11.9%
Households at/below poverty line (2014):	9.3%

* The county ranked 1st corresponds to the lowest rate in California